



Washington, D.C. 20505

14 NOV 1986

Mr. Steven Garfinkel  
Director, Information Security  
Oversight Office (Z)  
General Services Administration  
18th & F Streets, N.W.  
Washington, D.C. 20405

Dear Mr. Garfinkel:

Enclosed is the Central Intelligence Agency's Information Security Program Data (SF 311) report covering the period 1 October 1985 through 30 September 1986.

Data for this report were compiled by taking an actual count of all classification decisions made throughout the Agency during two one-week periods. The first count was taken during the week of 17 March 1986. The second count was taken during the week of 15 September 1986. The totals from the two counts were then combined and projected for the entire year.

Previous to Fiscal Year '86, Agency classification statistics were calculated on the basis of a one-week count of the number of classification decisions made during that specific week. We then projected that one-week figure for the entire year. In order to provide a broader statistical base for calculating annual classification activity within the Agency, two one-week counts were taken in FY 1986.

A review of the data assembled from the two surveys is inconclusive. We do not have sufficient information upon which to make a reasonably informed judgment as to whether semi-annual samplings provide a more accurate estimate of Agency classification decisions than does our former one count method. We will, therefore, conduct two one-week counts during the 1 October 1986-30 September 1987 reporting period. Based on an examination of the data from FY 86 and FY 87, I will determine whether semi-annual samplings are warranted.

**Page Denied**

The number of original classification authorities in Section 5 is provided only for inclusion in reporting government-wide totals. This number should not be attributed to CIA, in accordance with the DCI's responsibilities under the CIA Act of 1949 to withhold publication of numbers of Agency personnel.

Sincerely,



STAT

William F. Donnelly  
Deputy Director  
for  
Administration

Enclosure

DDA/OIS/IRMD/CMB :msc (7 November 1986)

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22 JAN 86

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REMARKS

#3 - ACTION

FOR APPROPRIATE ACTION/RESPONSE. THE REPORTED  
NONCOMPLIANCE WITH NSDD 84 IS AN ISSUE OF CONTENTION  
AND THE SUBJECT OF CORRESPONDENCE TO NSC.

SUSPENSE: 12 FEBRUARY 1986

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9	Chm/NIC				
10	GC		X		
11	IG				
12	Compt				
13	D/OLL				
14	D/PAO				
15	D/PERS				
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Remarks

To 6: Yours for appropriate action/response.  
The reported noncompliance with NSDD 84 is an issue  
of contention and the subject of correspondence  
to NSC.

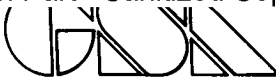
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Executive Secretary

16 Jan 86

Date

3637 (10-81)

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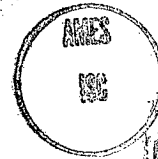
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Executive Registry

86-0222x

January 9, 1986

Honorable William J. Casey  
Director of Central Intelligence  
Central Intelligence Agency  
Washington, DC 20505



23 JAN 1986

DD/A Registry  
F.C.

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Dear Mr. Casey:

Sections 5.2(b)(2) and (4) of Executive Order 12356 authorize the Information Security Oversight Office (ISOO) to conduct on-site reviews of the information security programs of executive branch agencies that generate or handle national security information. To comply with the Order's requirements, Harold Mason, ISOO Program Analyst, conducted a review of the information security program in a number of offices in the Central Intelligence Agency (CIA) during FY 1985. A list of offices visited is contained in the appendix to the enclosed report. This report complements the report of April 29, 1985.

Mr. Mason examined several aspects of the program at CIA, including classification, security education, and safeguarding. The results of the ISOO review are contained in the enclosed report. Mr. Mason found the CIA offices visited to be in compliance with the Order; however, the CIA has failed to implement the provisions of National Security Decision Directive 84 by failing either to implement the Standard Form 189, Classified Information Nondisclosure Agreement, or to seek a waiver of its use through the ISOO from the National Security Council.

I appreciate the excellent cooperation of Ms. Eunice Evans and other officials with whom Mr. Mason met. If you have any questions on the enclosed report, please contact me on 535-7251.

Sincerely,

STEVEN GARFINKEL  
Director

Enclosure

Report of Inspection by the  
Information Security Oversight Office of the  
Central Intelligence Agency

I. General

During Fiscal Year 1985, Harold Mason, Program Analyst, Information Security Oversight Office (ISOO), inspected five offices in the Central Intelligence Agency (CIA), to evaluate their information security program and their compliance with Executive Order 12356 and ISOO implementing Directive No. 1. [redacted] Agency Security Classification Officer, assisted Mr. Mason during the course of the inspection and coordinated with the offices inspected. A list of offices inspected is included in the appendix. This report complements the report of April 29, 1985.

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II. Findings

A. Classification

The Agency continues to use its classification guide as a basis for derivative classification. The offices inspected have had sufficient experience in using the combined classification guide that replaced the individual guides used for each directorate. None of the personnel visited expressed any concern or encountered any significant problem in its use. The only problem encountered in derivative classification, in FY 1985, was reported in the ISOO inspection report of April 29, 1985, to the Director. The ISOO was informed that the problem would be resolved by utilizing the ISOO-produced slide presentation on classification marking.

B. Training

Personnel continue to receive extensive initial and refresher training by the Office of Training and Education on security, safeguarding, marking, and a wide variety of subjects. In addition, many of the offices provide additional training oriented to the directorate and office of assignment. Personnel are routinely monitored for the proper handling and safeguarding of classified information.

C. Safeguarding

The CIA has an excellent program for the handling, storage, and transmittal of classified information. The Agency routinely reviews and updates its

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distribution list to determine if the recipients continue to have a need-to-know. No deficiency in safeguarding procedures was detected during the course of the inspection.

D. Standard Form 189

Paragraph 1.a. of National Security Decision Directive 84 (NSDD-84), "Safeguarding National Security Information," signed by the President on March 11, 1983, states: "All persons with authorized access to classified information shall be required to sign a nondisclosure agreement as a condition of access. This requirement may be implemented prospectively by agencies for which the administrative burden of compliance would otherwise be excessive." Paragraph 1.c. of the Directive further states: "All agreements required in paragraphs 1.a. . . . must be in a form determined by the Department of Justice to be enforceable in a civil action brought by the United States. The Director, Information Security Oversight Office (ISOO), shall develop standardized forms that satisfy these requirements."

In order to fulfill his responsibility under the Directive and Section 5.2(b)(7) of Executive Order 12356, the Director of ISOO published regulations regarding the Classified Information Nondisclosure Agreement, SF 189, in the Federal Register, vol. 48, no. 176, September 9, 1983, 32 CFR Part 2003. The use of the standard form is mandatory for all departments and agencies or offices of the executive branch that create and/or handle national security information. The Register states: "Only the National Security Council may grant an agency's application for a waiver from the use of SF 189. To apply for a waiver, an agency must submit its proposed alternative nondisclosure agreement to the Director of ISOO, along with its justification. The Director of ISOO will request a determination about the alternative agreement's enforceability from the Department of Justice prior to making a recommendation to the National Security Council."

The CIA has failed to require its employees to sign the SF 189 or request a waiver. If the CIA believes that its present nondisclosure form meets or exceeds SF 189 and desires to continue to use its own form, then a waiver must be requested. If no waiver is requested, then the CIA should immediately implement the provisions of NSDD-84 and require its employees to sign SF 189.

In its upcoming report to the President for FY 1985, ISOO has been asked to include an update on agency-by-agency implementation of the SF 189. The CIA will be noted as having taken no action on it.

### III. Conclusion

The CIA's information security program is in compliance with Executive Order 12356 and the ISOO Directive No. 1, but the Agency has failed to implement the provisions of NSDD-84 by failing either to implement the SF 189 or to seek a waiver of its use.

### IV. Recommendation

Expedite the signing of SF 189 by CIA employees, or request a waiver from its use.

Appendix

CIA Offices  
Inspected in Fiscal Year 1985

Office of Scientific and Weapons Research, Deputy Director for  
Intelligence

Office of the Comptroller

Office of Communications

Security Education Group

Directorate of Operations branch components and offices